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Hawai'i Tourism Authority Addresses Unintended Consequences Should Legislative Bills SB1522 and HB1375 be Enacted

HONOLULU – In advance of upcoming conference committee meetings between the State Senate and State House to review SB1522 and HB1375, the Hawai'i Tourism Authority (HTA) held a press conference today at the Hawai'i Convention Center to address the unintended consequences of this proposed legislation.

If enacted, SB1522 and HB1375 would repeal the state law that established HTA, remove its current leadership and board of directors, and fold the organization into the State Department of Business, Economic Development and Tourism (DBEDT). This would result in a new structure being created to fund programs supporting destination management, community events, Native Hawaiian culture, natural resources, and brand management, all of which are currently handled by HTA.

"HTA has been inundated with questions from the community and visitor industry stakeholders about our future funding and the fate of our organization, the destination management work underway on each island, and the hundreds of community-based programs and groups we support annually," said John De Fries, HTA's President and CEO. "With so much at stake during this Legislative session for our community and the more than 170,000 residents who working in the industry, we will continue to work with lawmakers on the best path forward for all of Hawai'i."

Following are some of the unintended consequences the bills, if enacted, would have on Hawai'i's communities.

Hawai'i to Lose \$14M in Federal Economic Development Administration (EDA) Funding for Visitor Education and Natural Resources

HTA's partnership with DLNR is set to reinvest funding towards preserving our natural resources through new initiatives, including visitor education, statewide trail capacity study, Waikīkī Snorkel Restoration Trail, Ala Kahakai Interpretive Plan, Nā Manu 'Elele Land Steward Program, and more. If enacted, the new DBEDT department would need to reapply for funding through a year-long application process, resulting in significant delays and no guarantee of receiving any funds.

Funding for HTA-Supported Community Programs at Risk

Funding procedures currently in place to support programs such as Kūkulu Ola (Hawaiian culture), Aloha 'Āina (Natural Resources), Community Enrichment (Festivals and Events), and Signature Events will be dissolved, as well as the Destination Management Action Plans (DMAPs), workforce development programs, and capacity building. Systems would need to be completely changed, resulting in significant delays and no guarantee of future funding to sustain these community-based programs.

Change in HTA Leadership will Halt Progress in Destination Management

HTA coordinates the public end of a successful public-private partnership for the visitor industry that has been ongoing for 25 years. Implementation of the community-based DMAPs requires this collaborative approach and the convening of all levels of government (federal, state, county) with the private sector and community. Disruption to HTA's governance model would drastically limit destination management programs on all islands and detract from visitor education efforts. Uncertainty for future funding would impede current initiatives, such as the East Maui Tourism Management Pilot Program.

Dismissal of Current Board of Directors is Unnecessary

HTA's volunteer 12-member board of directors, which is appointed by the Governor and Legislature, is a diverse group steeped in the community, Hawaiian culture, natural resources, visitor industry, and businesses. Building a new board from scratch will take considerable time and onboarding, let alone with a new structure under the direction of a new DBEDT director.

Funding Uncertainty Makes Hawai'i Vulnerable to Global Competition

As forecasted by the Council on Revenues and University of Hawai'i Economic Research Organization, a softening of the global economy will impact Hawai'i, particularly the tourism industry. HTA leads the industry in a collaborative and coordinated manner that balances the needs of maintaining a vibrant economy while mitigating tourism's impacts in communities. With the forecast of economic uncertainty on the horizon, making major structural changes to HTA which is responsible for carrying out its 2020-2025 Strategic Plan, managing tourism, and guiding the Hawaiian Islands brand is not in the best interests of the state's economy and the businesses and employees that rely on tourism's continued success.

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About the Hawai'i Tourism Authority

The Hawai'i Tourism Authority is the state agency responsible for representing The Hawaiian Islands around the world, and for holistically managing tourism in a sustainable manner consistent with community desires, economic goals, cultural values, preservation of natural resources, and visitor industry needs. HTA works with the community and industry to Mālama Ku'u Home – care for our beloved home. For more information about HTA, visit www.hawaii tourism authority.org or follow @HawaiiHTA on [Facebook](#), [Instagram](#), and [Twitter](#).

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